**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**
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# CALIFORNIA MEDICAL ASSISTANCE COMMISSION

**State Capitol, Room 113**
**Sacramento, CA**

**Minutes of Meeting**
**October 19, 2006**

**COMMISSIONERS PRESENT**
Cathie Bennett Warner, Chair
Michele Burton, M.P.H.
Diane Griffiths
Teresa P. Hughes
Vicki Marti

**COMMISSIONERS ABSENT**
Nancy McFadden

**CMAC STAFF PRESENT**
Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Holland Golec
Katie Knudson
Marilyn Nishikawa
Karen Thalhammer
Steve Soto

**EX-OFFICIO MEMBERS PRESENT**
Toby Douglas, Department of Health Services
Thomas Williams, Department of Finance

## I. Call to Order

The October 19, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

## II. Approval of Minutes

The October 5, 2006 meeting minutes were approved as prepared by CMAC staff.

## III. Executive Director's Report

Keith Berger, Executive Director, began his report by informing the Commission of a couple activities that CMAC staff is involved in. The first one has to do with the implementation of a National Provider Identifier (NPI). He said that most providers currently have multiple of provider numbers, since each payer usually assigns their own set of identifiers to its providers.

Mr. Berger said that the Health Insurance Portability and Accountability Act (HIPPA) mandated the Secretary of the federal Department of Health and Human Services adopt a standard unique health identifier, or single provider number, for healthcare providers. For this purpose, he explained, a healthcare provider is defined as an individual, group, or organization that provides medical or other health services or supplies. This includes physicians and other practitioners; physician/practitioner groups; institutions such as hospitals, laboratories, and nursing homes; organizations such as health maintenance organizations; and suppliers such as pharmacies and medical supply companies.

Once established, Mr. Berger continued, a provider's NPI will not change. This single NPI will remain with the provider regardless of job or location changes. The use of this single NPI will be required next year. Healthcare providers and all large health plans, including Medicare and Medicaid, must use the NPIs in their administrative and financial transactions by May 23, 2007, and small health plans will have until May 2008.

Mr. Berger noted that CMAC staff has begun meeting with California Department of Health Services (CDHS) program, systems and fiscal intermediary staff to start understanding how this new NPI will be implemented and the implications of the new NPI for provider payment processes and for data gathering and analysis.

Mr. Douglas, CDHS, added that there would be significant impacts because of the new NPI conversion in May 2007. He said that CDHS is working to collect new indicators from all providers, but implementation is running behind schedule. Mr. Douglas noted that if providers do not receive their NPIs, CDHS would not be able to process their claims. He said CDHS is contacting Centers for Medicare and Medicaid (CMS) regarding the possibility of a later implementation date.

Commissioner Marti asked Mr. Douglas if it would be the provider's responsibility to contact the State or Federal government for their new NPI. Mr. Douglas confirmed that is indeed the provider's responsibility to contact the Federal government, and to also contact Medi-Cal with the new information.

Commissioner Griffiths asked Mr. Douglas if there was a national deadline for provider's to receive their NPI's. Mr. Douglas said that the May 2007 date is a national regulatory deadline since it is a HIPPA standard regulation, and clarified he does not believe a change to the date would require Congressional action.

Mr. Berger reported that in addition, CDHS and CMAC staff have initiated a project to rewrite the County Organized Health System (COHS) contract template. The goal is to improve and update the language and to restructure the contract format to be consistent with the format utilized by other Medi-Cal Managed Care program contracts. The Geographic Managed Care (GMC) and Two-Plan contract templates were rewritten last year.

Mr. Berger noted that this would be an intensive and detailed process that will go through the entire contract. The new draft template will also be shared and discussed with the COHS association and plans as it begins to take shape. He expects it to be ready to implement for 2008.

Mr. Berger concluded his report by informing the Commissioners that there were six new amendments and contracts before them for review and action in today's closed session. He said there were also key negotiation updates and an important discussion regarding current hospital and managed care negotiation strategies.

## IV. Department of Health Services (CDHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by updating CMAC that CDHS submitted a multiple component Transformation Grant proposal, as part of the Deficit Reduction Act, to the Federal government earlier this month. CDHS would use this grant to improve healthcare quality on a broader scale. He said CDHS is working with Integrated Healthcare Association (IHA) on a few proposals, first to hopefully implement a pay-for-performance structure including what types of measures and incentives to use to pay better outcomes for both the fee-for-service Medi-Cal program as well as Medi-Cal Managed Care. Mr. Douglas noted another proposal was with California Regional Health Information Organization (CalRHIO) to implement a pilot project on providing "real-time" delivery of care including medication information. The third proposal is working on a coordinated approach to improve chronic healthcare in clinics as well as hospitals with the California Hospital Association (CHA) and the California Primary Care Association (CPCA). Mr. Douglas said he would update CMAC when and if these proposals are approved.

## V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Chair Cathie Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.